

DEPARTMENT OF BENEFIT PAYMENTS

744 P Street, Sacramento, CA 95814
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December 23, 1975

ALL-COUNTY LETTER NO. 75-264

TO: ALL COUNTY WELFARE DIRECTORS
CHAIRMEN, BOARDS OF SUPERVISORS

SUBJECT: Section 10800.1 Requirement

REFERENCE:

Section 10800.1 of the Welfare and Institutions Code requires the Board of Supervisors of each county to prepare and submit by May 15th of each year estimates related to the public assistance programs to the Senate Finance Committee, the Assembly Ways and Means Committee, and the Joint Legislative Budget Committee. This section also requires the DBP to provide counties with the basic assumptions upon which county estimates shall be based.

The basic assumptions on which the county estimates are to be prepared will be the State and Federal laws, regulations, and policies in effect as of April 1, 1976. This also applies to court decisions. Also to be included are new legislation, regulations issued, or any other final actions taken before April 1, 1976, but which will be implemented at a later date. Attached is a listing of specific items that should be considered as the estimates are prepared.

Supplemental instructions, if necessary, will be issued by the department prior to April 1, 1976.

At the same time the estimates are submitted to the legislative committees, a copy should be forwarded to the State Department of Benefit Payments.

Any questions concerning the above may be directed to Anthony Moss, Chief of the Estimates Bureau (Area Code 916, 445-1862).

Sincerely,


GARY G. ADAMS
Deputy Director

Attachment

cc: CWDA

GEN 654 (2/75)

OBSOLETE

Superseded by

ACL # 77-15

Issued

3-17-77

Budget
Premises
For FY 1976-77

A. AFDC Maintenance Payments

1. Cost-of-living Adjustment

The year-to-year percentage change in the cost-of-living adjustment effective July 1, 1975, was 13.45%; the estimated year-to-year cost-of-living increase of 11.00%, effective July 1, 1976, is based on the CPI estimate for December 1975 provided by the Department of Finance.

2. Minimum Wage Increase

Effective January 1, 1975, the federal minimum wage for all adults in California rose to \$2.10 per hour. Formerly, the minimum wage was \$2.00 per hour. The increase reduces the grant costs of working AFDC recipients whose earnings are at the minimum wage level. Effective January 1, 1976, the federal minimum wage will rise to \$2.30, and will remain at that level through 1976-77 under current law (PL 93-259, 1974 Amendments to the Fair Labor Standards Act).

3. PL 93-567 - SUA

The Special Unemployment Assistance program (SUA) will provide federally funded benefits to individuals in most of the categories currently not covered under the nation's Unemployment Insurance Compensation law; e.g., farm workers, government employees, domestic workers, etc. This program went into effect January 6, 1975, in California. The cutoff date for initial claims has been extended to December 31, 1976.

4. PL 93-647

Signed January 4, 1975, this federal legislation which includes absent parent child support provisions initiates a federal SEIF program. This program, together with a revised State SEIF program (see AB 2326 below), replaced the old State SEIF program beginning October 1, 1975. This program will reimburse the county 25% of continuous collections per case for the first 12 months, and 10% continuous collections thereafter; if there is a break in the collections, the reimbursement will revert to 25% for the next 12 months when the collections are resumed. For a 12-month period, October 1, 1975 through September 30, 1976, federal participation will be available for an income exemption paid to a family of 40% of the first \$50, and SEIF computation will be made on absent parent support payments excluding those payments to the families.

5. AB 2326 - State SEIF

The state enabling legislation of PL 93-647, AB 2326, became effective October 1, 1975. AB 2326 provides a new State Support Enforcement Incentive Fund program to replace the old program. This is a supplement to the federal SEIF program and is expected to insure the county 33.75% of collections for 1975-76, and 27.75% for 1976-77 (including the Federal SEIF).

6. OASDI Increases

a. July 1975

An 8% OASDI benefit increase was effective June 1975 and reflected in the caseloads and grants beginning July 1975. This automatic cost-of-living increase is based on the percentage change in the U.S. Consumer Price Index between the April-June 1974 quarter and the January-March 1975 quarter.

b. July 1976

An estimated 8% OASDI benefit increase effective June 1976 will be reflected in the caseloads and grants beginning July 1976. This automatic cost-of-living increase will be based on the percentage change in the U.S. Consumer Price Index between the January-March 1975 quarter and the January-March 1976 quarter. The estimated U.S. CPI for the January-March 1976 quarter was provided by the Department of Finance.

7. Unemployment Insurance Benefit Increase

Chapter 1256, Statutes of 1975 (AB 91), includes provisions which would increase the minimum unemployment insurance benefits from \$25 to \$30, and raise the maximum weekly benefit from \$90 to \$104. Such increased benefit amounts shall apply only to new claims filed with an effective date beginning on or after January 1, 1976.

B. SSI/SSP Maintenance Payments

1. County Contribution

Chapter 1216 of the Statutes of 1973 (AB 134), fixes the county contribution at \$118,000,000 for 1974-75 and provides that the amount payable in each subsequent year shall be determined by multiplying the 1974-75 base year amount by the ratio of the county's modified assessed value in the subsequent year to the county's modified assessed value in the base year. For 1975-76, the preliminary county costs, computed as set forth by law, is \$131,406,068. For 1976-77, the 1975-76 county contribution will be increased by 9%; this percentage was provided by the Department of Finance.

C. State Adult Programs

1. APSB

APSB is a separate State program for those blind recipients with plans for self-support, and is a continuation of the Aid to Potentially Self-supporting Blind program in effect in California since July 1941.

Under the provisions of Chapter 512, Statutes of 1975 (AB 813), the APSB grant will equal the grant of the blind recipients under the SSI/SSP program effective September 5, 1975. On that date, the APSB payment standard increased from a maximum of \$260 to a flat payment standard of \$292; beginning July 1, 1976, the APSB payment standard will increase by \$18 to \$310.

D. County Welfare Department Income Maintenance and Nonservice Administrative Costs

1. AFDC Administration

- a. Title IV-A AFDC administrative costs include casework, overhead, EDP and direct expenditures for which the amount that is eligible for federal matching is shared 50% federal, 25% State and 25% county funds. The administrative costs of child support enforcement under Title IV-D are 75% federal and 25% county funds effective July 1, 1975.

2. Food Stamp Administration

- a. A comprehensive outreach program has been mandated by a U.S. District Court order in Bennett v. Butz and FNS (FS) Instruction 732-6, Revision 1. Counties must ensure that low-income households have information on and access to the Food Stamp program.
- b. The Department of Benefit Payments will assume responsibility for Food Stamp Quality Control effective January 1, 1976. County responsibility in this area will be completely phased out by March 31, 1976. The three month overlap is to permit counties to complete the process for the period ending December 31, 1975 and provide the State time to assume the full program.
- c. Provisions of AB 134 mandated counties, effective July 1, 1975, to issue food stamps via direct mailing, public assistance withholding, and at least one other nonmail method.

E. Other

- 1. Provisions of PL 93-233 made adult aid recipients ineligible for food stamps for the period January-June 1974; the passage of PL 93-335 extended the adult aid ineligibility through June 30, 1975, and the recent enactment of HR 6698 further extended this ineligibility to June 1976.
- 2. The June 1975 appellate court decision in Rodway v. Butz invalidated the Economy Food Plan as a basis for the food stamp allotment formula. An all county letter will be submitted in late December 1975.